

**Return of Organization Exempt From Income Tax**

OMB No 1545-0047  
**2007**  
**Open to Public Inspection**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

**A For the 2007 calendar year, or tax year beginning** N/A, **2007**, and ending N/A, **20**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Termination  
 Amended return  
 Application pending

**C Name of organization**  
**COUNCIL ON AMERICAN-ISLAMIC RELATIONS, CALIFORNIA**  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**3000 SCOTT BOULEVARD STE 212**  
 City or town, state or country, and ZIP + 4  
**SANTA CLARA, CA 95054-3331**

**D Employer identification number**  
**77 0411194**

**E Telephone number**  
**( 408 ) 986-9874**

**F Accounting method.**  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**G Website:** **www.cair-california.org**

**J Organization type** (check only one)  501(c) ( 3 ) (insert no)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

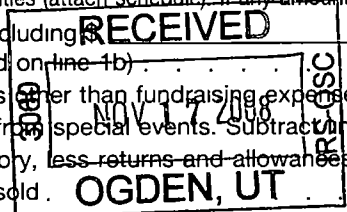
**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 **1,519,814**

**H and I are not applicable to section 527 organizations**  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates **N/A**  
**H(c)** Are all affiliates included?  Yes  No (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Group Exemption Number **N/A**  
**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	1,412,293	
	c	Indirect public support (not included on line 1a)	1c		
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	<b>Total</b> (add lines 1a through 1d) (cash \$ <u>1,412,293</u> noncash \$ <u>-0-</u> )	1e		1,412,293
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		107,521
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	b	Less: rental expenses	6b		
c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe _____)	7			
8a	Gross amount from sales of assets other than inventory		(A) Securities	(B) Other	
	b	Less: cost or other basis and sales expenses	8a		
	c	Gain or (loss) (attach schedule)	8b		
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
8d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including contributions reported on line 1b) of _____	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances		10a		
	b	Less: cost of goods sold	10b		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11			
12	<b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		1,519,814	
Expenses	13	Program services (from line 44, column (B))	13	1,238,972	
	14	Management and general (from line 44, column (C))	14	205,384	
	15	Fundraising (from line 44, column (D))	15	6,905	
	16	Payments to affiliates (attach schedule)	16	0	
	17	<b>Total expenses.</b> Add lines 16 and 44, column (A)	17	1,415,261	
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	68,553	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,362,067	
	20	Other changes in net assets or fund balances (attach explanation)	20	(136,303)	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	1,294,317	

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**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22a</b>			
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ <b>15,285</b> noncash \$ <b>-0-</b> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b>	<b>15,285</b>	<b>15,285</b>	
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>			
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>			
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	<b>25a</b>	<b>162,898</b>	<b>138,464</b>	<b>24,434</b>
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	<b>25b</b>			
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	<b>25c</b>			
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b>	<b>501,830</b>	<b>426,556</b>	<b>75,274</b>
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	<b>27</b>	<b>7,249</b>	<b>6,162</b>	<b>1,087</b>
<b>28</b> Employee benefits not included on lines 25a - 27	<b>28</b>	<b>56,571</b>	<b>48,085</b>	<b>8,486</b>
<b>29</b> Payroll taxes	<b>29</b>	<b>23,022</b>	<b>19,569</b>	<b>3,453</b>
<b>30</b> Professional fundraising fees	<b>30</b>			
<b>31</b> Accounting fees	<b>31</b>	<b>5,825</b>		<b>5,825</b>
<b>32</b> Legal fees	<b>32</b>	<b>2,750</b>	<b>2,750</b>	
<b>33</b> Supplies	<b>33</b>	<b>47,600</b>	<b>26,550</b>	<b>21,050</b>
<b>34</b> Telephone	<b>34</b>	<b>24,611</b>	<b>20,919</b>	<b>3,692</b>
<b>35</b> Postage and shipping	<b>35</b>	<b>11,079</b>	<b>9,417</b>	<b>1,662</b>
<b>36</b> Occupancy	<b>36</b>	<b>75,912</b>	<b>64,525</b>	<b>11,387</b>
<b>37</b> Equipment rental and maintenance	<b>37</b>			
<b>38</b> Printing and publications	<b>38</b>	<b>46,034</b>	<b>32,224</b>	<b>6,905</b>
<b>39</b> Travel	<b>39</b>	<b>34,606</b>	<b>29,415</b>	<b>5,191</b>
<b>40</b> Conferences, conventions, and meetings	<b>40</b>	<b>197,081</b>	<b>197,081</b>	
<b>41</b> Interest	<b>41</b>			
<b>42</b> Depreciation, depletion, etc. (attach schedule)	<b>42</b>	<b>1,713</b>		<b>1,713</b>
<b>43</b> Other expenses not covered above (itemize):				
<b>a MISCELLANEOUS</b>	<b>43a</b>	<b>38,011</b>	<b>6,651</b>	<b>31,360</b>
<b>b MUSLIM LEADERSHIP YOUTH &amp; COMMUNITY EVENTS</b>	<b>43b</b>	<b>46,070</b>	<b>46,070</b>	
<b>c EDUCATIONAL AND CIVIL RIGHTS PROGRAMS</b>	<b>43c</b>	<b>45,847</b>	<b>45,847</b>	
<b>d PUBLIC AFFAIRS AND ADVERTISING</b>	<b>43d</b>	<b>32,929</b>	<b>32,929</b>	
<b>e DATABASE MAINTENANCE</b>	<b>43e</b>	<b>21,922</b>	<b>18,634</b>	<b>3,288</b>
<b>f INSURANCE</b>	<b>43f</b>	<b>3,849</b>	<b>3,272</b>	<b>577</b>
<b>g FEE TO NATIONAL OFFICE</b>	<b>43g</b>	<b>48,567</b>	<b>48,567</b>	
<b>44 Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	<b>44</b>	<b>1,451,261</b>	<b>1,238,972</b>	<b>205,384</b>

**Joint Costs.** Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <b>Combating discrimination against Islam and Muslims</b> .....	<b>Program Service Expenses</b>
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
<p><b>a</b> Conducted 17 civil rights advocacy campaigns and 923 civil rights cases for Muslims who had suffered discrimination because of their religious practices. Conducted 151 educational workshops and presentations and 203 community outreach events---and initiated or contributed to 571 print articles and broadcast media pieces---to educate the public about Islam and discrimination against Muslims. Made monetary contributions to 17 exempt charitable organizations.</p> <p>(Grants and allocations \$ <u>15,285</u> ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<b>867,280</b>
<p><b>b</b> Coordinated the 4th annual Muslim Leadership Youth Program, in which 35 high school students were sent to the state capitol in Sacramento for a 4-day training. The program featured workshops on community organizing and advocacy, public speaking, and an opportunity to conduct a mock legislative session on the floor of the state Senate.</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<b>61,949</b>
<p><b>c</b> Organized 3 annual conferences throughout California, attended by 3,185 members of the public, including public officials, law enforcement personnel, interfaith leaders, etc. The purpose was to educate the public about the activities of the organization, address civil rights concerns, and raise funds.</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<b>309,743</b>
<p><b>d</b> .....</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p><b>e</b> Other program services (attach schedule)</p> <p>(Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p><b>f</b> <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services). . . . . ►</p>	<b>1,238,972</b>

**Part IV Balance Sheets** (See the instructions.)

				(A)		(B)	
				Beginning of year		End of year	
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.							
<b>Assets</b>	45 Cash—non-interest-bearing . . . . .			814,350	45	877,269	
	46 Savings and temporary cash investments . . . . .				46		
	47a Accounts receivable . . . . .	47a	71,306				
	b Less: allowance for doubtful accounts . . . . .	47b	0	50,330	47c	71,306	
	48a Pledges receivable . . . . .	48a					
	b Less: allowance for doubtful accounts . . . . .	48b			48c		
	49 Grants receivable . . . . .				49		
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .				50a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) . . . . .				50b		
	51a Other notes and loans receivable (attach schedule) . . . . .	51a					
	b Less: allowance for doubtful accounts . . . . .	51b			51c		
	52 Inventories for sale or use . . . . .				52		
	53 Prepaid expenses and deferred charges . . . . .				53		
	54a Investments—publicly-traded securities . . . . .				54a		
	b Investments—other securities (attach schedule) . . . . .				54b		
	55a Investments—land, buildings, and equipment: basis . . . . .	55a					
	b Less: accumulated depreciation (attach schedule) . . . . .	55b			55c		
	56 Investments—other (attach schedule) . . . . .			325,000	56	325,000	
	57a Land, buildings, and equipment: basis . . . . .	57a	223,846				
b Less: accumulated depreciation (attach schedule) . . . . .	57b	92,977	132,582	57c	130,869		
58 Other assets, including program-related investments (describe ► <b>OTHER CURRENT ASSETS</b> . . . . .)			47,691	58	0		
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .			1,369,953	59	1,404,444		
<b>Liabilities</b>	60 Accounts payable and accrued expenses . . . . .			7,886	60	(1,558)	
	61 Grants payable . . . . .				61		
	62 Deferred revenue . . . . .				62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .				63		
	64a Tax-exempt bond liabilities (attach schedule) . . . . .				64a		
	b Mortgages and other notes payable (attach schedule) . . . . .				64b	30,000	
	65 Other liabilities (describe ► <b>PAYABLE TO OTHER CAIR CHAPTERS</b> . . . . .)			0	65	81,685	
66 <b>Total liabilities.</b> Add lines 60 through 65 . . . . .			7,886	66	110,127		
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74						
	67 Unrestricted . . . . .				67		
	68 Temporarily restricted . . . . .				68		
	69 Permanently restricted . . . . .				69		
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 70 through 74.						
	70 Capital stock, trust principal, or current funds . . . . .				70		
	71 Paid-in or capital surplus, or land, building, and equipment fund . . . . .				71		
	72 Retained earnings, endowment, accumulated income, or other funds . . . . .			1,362,067	72	1,294,317	
73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) . . . . .			1,362,067	73	1,294,317		
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 . . . . .			1,369,953	74	1,404,444		

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** (See the instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . . .		<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:			
<b>1</b>	Net unrealized gains on investments . . . . .	<b>b1</b>		
<b>2</b>	Donated services and use of facilities . . . . .	<b>b2</b>		
<b>3</b>	Recoveries of prior year grants . . . . .	<b>b3</b>		
<b>4</b>	Other (specify): .....	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b> . . . . .		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .		<b>c</b>	
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :			
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>		
<b>2</b>	Other (specify): .....	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b> . . . . .		<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12) Add lines <b>c</b> and <b>d</b> . . . . . ▶		<b>e</b>	N/A

**Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements . . . . .		<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:			
<b>1</b>	Donated services and use of facilities . . . . .	<b>b1</b>		
<b>2</b>	Prior year adjustments reported on Part I, line 20 . . . . .	<b>b2</b>		
<b>3</b>	Losses reported on Part I, line 20 . . . . .	<b>b3</b>		
<b>4</b>	Other (specify): .....	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b> . . . . .		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b> . . . . .		<b>c</b>	
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :			
<b>1</b>	Investment expenses not included on Part I, line 6b . . . . .	<b>d1</b>		
<b>2</b>	Other (specify): .....	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b> . . . . .		<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b> . . . . . ▶		<b>e</b>	N/A

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
<b>FOUAD KHATIB</b> 4797 Calais Court, San Jose, CA 95124-4747	CHAIR/As needed	0	0	0
<b>DR. HAMZA NAKHAL</b> 1005 San Tomas Street, Davis, CA 95618-4941	TREASURER/As needed	0	0	0
<b>SHAFATH SYED</b> 1543 Kennewick Drive, Sunnyvale, CA 94087-4159	BOARD MEM/As needed	0	0	0
<b>TAHRA GORAYA</b> 235 North Holliston Avenue #6, Pasadena, CA 91106-1558	SECRETARY/As needed	0	0	0
<b>HUSSAM AYLOUSH</b> 2994 McDonald Lane, Corona, CA 92881-8212	Board Member & Exec Dir, So. Calif. - 60 hours/week	88,650	13,776	0
<b>OMAR AHMED</b> 2713 Gentry Court, Santa Clara, CA 95051-1746	BOARD MEM/As needed	0	0	0
<b>OMAR HASSAINE</b> 5447 El Ontono Way, San Diego, CA 92121-4219	VICE CHAIR/As needed	0	0	0
<b>BASSIM ELKARRA</b> 9228 Cerrolinda Circle, Elk Grove, CA 95758-5449	Exec Director/Sacramento 50 hours/week	54,000	6,472	0

<b>Part V-A Current Officers, Directors, Trustees, and Key Employees</b> <i>(continued)</i>		Yes	No
<b>75a</b> Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings . . . . .	9		
<b>b</b> Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) . . . . .	75b		✓
<b>c</b> Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." . . . . .	75c		✓
If "Yes," attach a statement that includes the information described in the instructions.			
<b>d</b> Does the organization have a written conflict of interest policy? . . . . .	75d	✓	

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

<b>Part VI Other Information</b> <i>(See the instructions.)</i>		Yes	No
<b>76</b> Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change . . . . .	76		✓
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes.	77		✓
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	78a	✓	
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	78b	✓	
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	79		✓
<b>80a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	80a	✓	
<b>b</b> If "Yes," enter the name of the organization ▶ <b>CAIR CALIFORNIA TITLE HOLDING CORPORATION</b> and check whether it is <input checked="checked" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
<b>81a</b> Enter direct and indirect political expenditures. (See line 81 instructions.)	81a		-0-
<b>b</b> Did the organization file <b>Form 1120-POL</b> for this year? . . . . .	81b		✓

**Part VI Other Information** (continued)

		Yes	No
<b>82a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	<b>82b</b>   _____		
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	
<b>b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	<input checked="" type="checkbox"/>	
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>84b</b>			
<b>85a</b>	<b>501(c)(4), (5), or (6).</b> Were substantially all dues nondeductible by members?		
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
<b>c</b>	Dues, assessments, and similar amounts from members		
	<b>85c</b>   _____		
<b>d</b>	Section 162(e) lobbying and political expenditures		
	<b>85d</b>   _____		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	<b>85e</b>   _____		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	<b>85f</b>   _____		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
<b>85g</b>			
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
<b>85h</b>			
<b>86</b>	<b>501(c)(7) orgs.</b> Enter: <b>a</b> Initiation fees and capital contributions included on line 12		
	<b>86a</b>   _____		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities		
	<b>86b</b>   _____		
<b>87</b>	<b>501(c)(12) orgs.</b> Enter: <b>a</b> Gross income from members or shareholders		
	<b>87a</b>   _____		
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	<b>87b</b>   _____		
<b>88a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.		<input checked="" type="checkbox"/>
<b>b</b>	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		<input checked="" type="checkbox"/>
<b>88b</b>			
<b>89a</b>	<b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>          -0-          </u> ; section 4912 ▶ <u>          -0-          </u> ; section 4955 ▶ <u>          -0-          </u>		
<b>b</b>	<b>501(c)(3) and 501(c)(4) orgs.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		<input checked="" type="checkbox"/>
<b>89b</b>			
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		<u>          -0-          </u>
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization		<u>          -0-          </u>
<b>e</b>	<b>All organizations.</b> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
<b>89e</b>			
<b>f</b>	<b>All organizations</b> Did the organization acquire a direct or indirect interest in any applicable insurance contract?		<input checked="" type="checkbox"/>
<b>89f</b>			
<b>g</b>	<b>For supporting organizations and sponsoring organizations maintaining donor advised funds.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>89g</b>			
<b>90a</b>	List the states with which a copy of this return is filed ▶ <b>CALIFORNIA</b>		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	<b>90b</b>   _____	<b>14</b>
<b>91a</b>	The books are in care of ▶ <b>EMAD ABDELMAKSOU, CPA</b> Telephone no. ▶ ( <b>714</b> ) <b>254-0098</b> Located at ▶ <b>800 SOUTH BROOKHURST STREET, SUITE 3-B, ANAHEIM, CA</b> ZIP + 4 ▶ <b>92804-4301</b>		
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</b>	<b>91b</b>	<input checked="" type="checkbox"/>
		Yes	No

**Part VI Other Information (continued)**

	Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? <b>91c</b>		<input checked="" type="checkbox"/>
If "Yes," enter the name of the foreign country ▶ .....		
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here		<input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the tax year ▶   <b>92</b>		

**Part VII Analysis of Income-Producing Activities (See the instructions.)**

**Note:** Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue:					
<b>a</b> ANNUAL CONFERENCES					<b>96,810</b>
<b>b</b> SALES OF EXPRESSIVE ITEMS					<b>5,671</b>
<b>c</b> ADVERTISING	<b>511190</b>	<b>5,040</b>			
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings and temporary cash investments					
<b>96</b> Dividends and interest from securities					
<b>97</b> Net rental income or (loss) from real estate:					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue: <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))		<b>5,040</b>			<b>102,481</b>
<b>105</b> Total (add line 104, columns (B), (D), and (E))					<b>107,521</b>

**Note:** Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)**

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
<b>93a</b>	<b>Conferences featured educational speakers addressing issues related to the exempt purposes of the organization, such as civil rights, discrimination, etc.</b>
<b>93b</b>	<b>Distributed expressive items, such as T-shirts, mugs and other memorabilia, containing logos and other information that furthered the organization's educational message.</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).



**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	.....			
b	.....			
c	.....			
<b>Totals</b>				

**107** Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	.....			
b	.....			
c	.....			
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

**Please Sign Here**

Signature of officer: Masoud Nassimi Date: 11/10/2008

Type or print name and title: MASOUD NASSIMI, INCOMING CHAIR

---

**Paid Preparer's Use Only**

Preparer's signature: [Signature] Date: 11/6/2008 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: JOSH WAGNER PLANRIGHT EIN: 77 Preparer's SSN or PTIN (See Gen Inst X): P00178181

413 WESTERN DRIVE #15, SANTA CRUZ, CA 95060-3078 Phone no: ( 831 ) 423-2323

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information—(See separate instructions.)**

OMB No 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization <b>COUNCIL ON AMERICAN-ISLAMIC RELATIONS, CALIFORNIA</b>	Employer identification number <b>77 : 0411194</b>
--	---

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<b>SHERREL JOHNSON</b> <b>11410 BROOKSHIRE AVE #313, DOWNEY, CA 90241</b>	<b>Assist. to Director &amp; Community Relations Manager - 40</b>	<b>49,000</b>	<b>6,136</b>	<b>-0-</b>

Total number of other employees paid over \$50,000 ▶

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		

Total number of others receiving over \$50,000 for professional services ▶

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		

Total number of other contractors receiving over \$50,000 for other services ▶

**Part III** **Statements About Activities** (See page 2 of the instructions.)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>2,765</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) . . . . .	✓	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
<b>a</b> Sale, exchange, or leasing of property? . . . . .		✓
<b>b</b> Lending of money or other extension of credit? . . . . .		✓
<b>c</b> Furnishing of goods, services, or facilities? . . . . .		✓
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>See Form 990, Part V-A</b> . . . . .	✓	
<b>e</b> Transfer of any part of its income or assets? . . . . .		✓
<b>3a</b> Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) . . . . .		✓
<b>b</b> Did the organization have a section 403(b) annuity plan for its employees? . . . . .		✓
<b>c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement . . . . .		✓
<b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .		✓
<b>4a</b> Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g . . . . .		✓
<b>b</b> Did the organization make any taxable distributions under section 4966? . . . . .		
<b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .		
<b>d</b> Enter the total number of donor advised funds owned at the end of the tax year . . . . . ▶ _____		
<b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year . . . . . ▶ _____		
<b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts . . . . . ▶ _____		-0-
<b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		-0-

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i).
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶ .....
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A)
- 12  An organization that normally receives: (1) more than 33% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	<b>1,450,154</b>	<b>1,575,849</b>	<b>1,184,797</b>	<b>1,137,876</b>	<b>5,348,676</b>
<b>16</b> Membership fees received					
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	<b>139,787</b>	<b>129,034</b>	<b>129,210</b>	<b>112,250</b>	<b>510,281</b>
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
<b>19</b> Net income from unrelated business activities not included in line 18.					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22	<b>1,589,941</b>	<b>1,704,883</b>	<b>1,314,007</b>	<b>1,250,126</b>	<b>5,858,957</b>
<b>24</b> Line 23 minus line 17	<b>1,450,154</b>	<b>1,575,849</b>	<b>1,184,797</b>	<b>1,137,876</b>	<b>5,348,676</b>
<b>25</b> Enter 1% of line 23	<b>15,899</b>	<b>17,049</b>	<b>13,140</b>	<b>12,501</b>	
<b>26 Organizations described on lines 10 or 11:</b>					
<b>a</b> Enter 2% of amount in column (e), line 24					<b>106,974</b>
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					<b>674,910</b>
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)					<b>5,348,676</b>
<b>d</b> Add: Amounts from column (e) for lines:	18 <u>0</u>	19 <u>0</u>			
	22 <u>0</u>	26b <u>674,910</u>			<b>674,910</b>
<b>e</b> Public support (line 26c minus line 26d total)					<b>4,673,766</b>
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>87.38 %</b>
<b>27 Organizations described on line 12:</b>					
<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
<b>c</b> Add: Amounts from column (e) for lines:	15 _____	16 _____			
	17 _____	20 _____	21 _____		
<b>d</b> Add: Line 27a total _____ and line 27b total _____					<b>27c</b>
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27d</b>
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					<b>27e</b>
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27f</b>
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27g</b> %
					<b>27h</b> %
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

**Part V Private School Questionnaire** (See page 9 of the instructions.)  
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

**THIS PAGE NOT APPLICABLE**

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a**  if the organization belongs to an affiliated group. Check **b**  if you checked "a" and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>	<b>0</b>
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying). . . . .	<b>37</b>	<b>2,765</b>
<b>38</b>	Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>	<b>2,765</b>
<b>39</b>	Other exempt purpose expenditures . . . . .	<b>39</b>	<b>1,236,207</b>
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>	<b>1,238,972</b>
<b>41</b>	Lobbying nontaxable amount. Enter the amount from the following table—		
	<b>If the amount on line 40 is—</b> <b>The lobbying nontaxable amount is—</b>		
	Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .		
	Over \$500,000 but not over \$1,000,000 . . . . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . . . . \$175,000 plus 10% of the excess over \$1,000,000	<b>41</b>	<b>198,897</b>
	Over \$1,500,000 but not over \$17,000,000 . . . . . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 . . . . . \$1,000,000		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41). . . . .	<b>42</b>	<b>49,724</b>
<b>43</b>	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36. . . . .	<b>43</b>	<b>0</b>
<b>44</b>	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38. . . . .	<b>44</b>	<b>0</b>

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .	<b>198,897</b>	<b>205,418</b>	<b>158,556</b>	<b>176,818</b>	<b>739,689</b>
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					<b>1,109,534</b>
<b>47</b> Total lobbying expenditures . . . . .	<b>2,765</b>	<b>550</b>	<b>400</b>	<b>1,122</b>	<b>4,837</b>
<b>48</b> Grassroots nontaxable amount . . . . .	<b>49,724</b>	<b>51,355</b>	<b>39,639</b>	<b>44,205</b>	<b>184,923</b>
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					<b>277,385</b>
<b>50</b> Grassroots lobbying expenditures . . . . .	<b>0</b>	<b>0</b>	<b>345</b>	<b>542</b>	<b>887</b>

**Part VI-B Lobbying Activity by Nonelecting Public Charities**  
 (For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of.	Yes	No	Amount
<b>a</b> Volunteers . . . . .			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
<b>c</b> Media advertisements . . . . .			
<b>d</b> Mailings to members, legislators, or the public . . . . .			
<b>e</b> Publications, or published or broadcast statements . . . . .			
<b>f</b> Grants to other organizations for lobbying purposes . . . . .			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body. . . . .			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
<b>i</b> Total lobbying expenditures (Add lines c through h.) . . . . .			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 14 of the instructions.)

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

	Yes	No
<b>a</b> Transfers from the reporting organization to a noncharitable exempt organization of:		
<b>(i)</b> Cash		✓
<b>(ii)</b> Other assets		✓
<b>b</b> Other transactions:		
<b>(i)</b> Sales or exchanges of assets with a noncharitable exempt organization		✓
<b>(ii)</b> Purchases of assets from a noncharitable exempt organization		✓
<b>(iii)</b> Rental of facilities, equipment, or other assets		✓
<b>(iv)</b> Reimbursement arrangements		✓
<b>(v)</b> Loans or loan guarantees		✓
<b>(vi)</b> Performance of services or membership or fundraising solicitations		✓
<b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees		✓

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**52a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  **Yes**  **No**

**b** If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
<b>CAIR CALIFORNIA TITLE HOLDING CORPORATION</b>	<b>501(c)(2)</b>	<b>Holds title to real property purchased by reporting organization.</b>



COUNCIL ON AMERICAN-ISLAMIC RELATIONS, CALIFORNIA EIN: 77-0411194  
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Form 990 - Exempt Organization Information Return  
 Part I - Revenue, Expenses, and Changes in Net Assets  
 Line 20 - Other Changes in Net Assets

The organization made adjustments to its net assets as follows:

Description	Amount
Prior years' depreciation not previously booked	(\$68,448)
Loans from investment account previously booked as income	(\$50,000)
Building improvements capitalized	(\$17,856)
Rounding	\$1
<b>TOTAL</b>	<b>(\$136,303)</b>

\*\*\*\*\*

Part II - Statement of Functional Expenses  
 Line 22 - Grants and Allocations

The organization made cash grants to the following organizations, all for the purpose of general program support:

Grantee	Address	Amount
Ronald McDonald's House of Charities (RMHC)	2555 49 <sup>th</sup> Street Sacramento, CA 95817	\$2,500
San Jose High Academy	275 North 24 <sup>th</sup> Street San Jose, CA 95116	\$250
Muslim American Society	PO Box 15240 Anaheim, CA 92803	\$500
Muslim Alliance in North America	PO Box 910375 Lexington, KY 40591	\$1,000
Interfaith Communities United for Justice and Peace	PO Box 483 Pasadena, CA 91102	\$500
Interfaith Airport Chapels of Chicago	PO Box 66353 Chicago, IL 60666	\$25
First Congregational Church of Long Beach	241 Cedar Avenue Long Beach, CA 90802	\$150
<b>Sub-total</b>		<b>\$4,925</b>

\*\*\*\*\*

Part II - Statement of Functional Expenses  
 Line 22 - Grants and Allocations, continued

Grantee	Address	Amount
US Campaign to End the Israeli Occupation	PO Box 21539 Washington, DC 20009	\$100
Interfaith Worker Justice	1020 W Bryn Mawr, 4 <sup>th</sup> floor Chicago, IL 60660	\$1,700
Kinder USA	PO Box 224846 Dallas, TX 75222	\$200
The Zakat Foundation of America	PO Box 639 Worth, IL 60482	\$250
UPLIFT	23441 Golden Springs Dr #263 Diamond Bar, CA 91765	\$230
ACCESS California	2180 W. Crescent Ave Ste C Anaheim, CA 92801	\$230
Islamic Relief	6131 Orangethorpe Ave #450 Buena Park, CA 90620	\$250
ILM Foundation	PO Box 93789 Pasadena, CA 91109	\$1,400
ACLU of Southern California	1616 Beverly Boulevard Los Angeles, CA 90026	\$1,000
California Science Academy	9191 Pioneer Dr #E17 Huntington Beach, CA 92646	\$5,000
<b>Sub-totals</b>		<b>\$10,360</b>

Thus, \$4,925 (previous page) + \$10,360 = \$15,285 - the amount on Line 22b

\*\*\*\*\*

Part II, Line 42 Depreciation AND  
 Part IV, Line 57b Accumulated Depreciation

Asset	First Acqd.	Cost or Basis	Method	Life	Accum. Deprec.
Building Improvements	2001	\$130,396	S/L	39	
Leasehold Improvements	2001	\$4,300	S/L	15	
Computers & Software	2001	\$20,717	S/L	5.0	
Furniture/Office Equipment	1998	\$68,433	S/L	7.0	
<b>TOTALS</b>		<b>\$223,846</b>			<b>\$92,977</b>

\*\*\*\*\*

Part IV - Balance Sheet  
Line 56 - Other Investments

The organization invested funds with the North American Islamic Trust, an investment fund that makes conservative investments on behalf of Islamic organizations.

\*\*\*\*\*

Part IV - Balance Sheet  
Line 64b - Other Notes Payable

The organization borrowed \$30,000 from its investment in the fund mentioned directly above, the North American Islamic Trust.

\*\*\*\*\*

Part V-A - Current Officers, Directors and Key Employees  
Line 25a - Compensation of Current Officers/Directors

Name	Compensation	Benefits	Exp. Acct.
Hussam Ayloush	\$88,650	\$13,776	\$0
Bassim Elkarra	\$54,000	\$6,472	\$0
Sub-totals	\$142,650	\$20,248	
<b>TOTAL</b>			<b>\$162,898</b>